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SUBJECT: INITIAL ISRAELI REACTIONS TO NETANYAHU'S
ANNOUNCEMENT OF THE SUSPENSION OF NEW CONSTRUCTION IN THE
WEST BANK

Classified By: Charge d'Affaires Luis G. Moreno, Reason 1.4 (b) (d)

¶1. (C) Summary. PM Netanyahu's November 25 announcement of the "suspension of new (building) permits and new construction" in the West Bank for a period of 10 months appears to be generally well received in Israel even while generating virulent opposition on the far right and with the settler movement. Left wing commentators and editorials have offered a mixed reaction, with some viewing the decision as a step in the right direction while others have dismissed it as a political ploy. Within the coalition, Netanyahu has demonstrated political strength by obtaining the support of key Likud hardliners Benny Begin and Moshe Yaalon, while apparently orchestrating the ultra-orthodox Shas Party's decision not to attend the meeting of the security cabinet that voted in favor of the suspension. The PM's office quickly dissociated Netanyahu from public criticism of the U.S. by Minister of Culture Limor Livnat (Likud), and most observers think the favorable votes by Begin and Yaalon will insulate Netanyahu from any significant revolt within his party. The YESHA Council representing West Bank settlers issued a statement calling the decision "un-Jewish and immoral" and threatening to continue to build illegally. MOD Barak has ordered the security services to implement the security cabinet's decision, so a test of wills is likely to come to a head shortly. Meanwhile, the GOI is monitoring the Palestinian reaction, which is closely linked to reports that the indirect negotiations with Hamas over the release of kidnapped soldier Gilad Shalit in return for hundreds of Palestinian prisoners are coming to a head. End Summary.

¶2. (U) The security cabinet met on the afternoon of November 25 and voted in favor of a decision to suspend for 10 months the issuance of building permits and new construction in Israeli settlements in the West Bank. PM Netanyahu held a short press conference after the vote to formally announce the decision. He linked the decision to the GOI's hope that it would contribute to relaunching peace negotiations with the PA, and reiterated his commitment to "working closely with the United States to advance peace and security in the region." Netanyahu made clear that the suspension will not include the construction of public buildings such as schools and synagogues or infrastructure "needed to protect our national security or to safeguard the lives of our citizens." He also noted that the GOI does not intend to restrict construction in East Jerusalem. He called on the Palestinians to respond to Israel's "far-reaching step for peace."

¶3. (C) The PM's announcement came as no surprise to Israelis, since the broad outlines of a temporary freeze on construction in the West Bank settlements have been leaked to the press and commented on extensively for the past several months. Nonetheless, analysts noted Netanyahu's success in delivering all but one member of the 15-member security cabinet, with only Minister of National Infrastructure Uzi Landau (Yisrael Beitenu) voting "no" while the two Shas ministers Eli Yishai and Ariel Attias were both absent, with

the Shas ministers absence reportedly agreed in advance with the PM. David Hacham, an Arabic-speaking MOD official who was tasked with explaining the GOI's decision to the Arabic media, told PolCouns November 26 that he was stressing in his interviews the significance of even a limited settlement freeze by a right-wing government. Hacham noted that the "yes" votes by the hard-line Likud members of the inner cabinet, Benny Begin and Moshe Yaalon, as well as Foreign Minister and Yisrael Beitenu party head Avigdor Lieberman, effectively inoculated Netanyahu from a right-wing revolt within the cabinet.

14. (U) While most of the public appears to be quietly supportive of the GOI decision (which will not be officially announced until the full cabinet votes on it November 29), various right-wing politicians and the leadership of the West Bank settlers have moved quickly to express their rejection of any limitations on settlement construction. The YESHA Council, representing the West Bank settlers, issued a statement November 26 calling the PM's decision "un-Jewish and anti-Zionist" as well as "immoral" because they fear it represents a caving-in to U.S. pressure and an acceptance of the argument that settlements are obstacles to peace. Minister of Culture Limor Livnat (Likud) generated headlines because of remarks she made November 26 at a Likud party rally in Beer Sheva, where Livnat reportedly expressed sympathy for Netanyahu's having to deal with an "awful" U.S. Administration that has made the PM suffer. Netanyahu's office quickly released a statement distancing him from Livnat's remarks, noting that "the remarks made by the minister do not in any way represent the position of the Prime Minister," and adding that "the Prime Minister has

TEL AVIV 00002560 002 OF 002

repeatedly expressed his appreciation of the brave alliance between Israel and the United States, which has continued fully during the Administration of President Obama."

15. (C) Yediot Aharonot's military and national security affairs columnist Alex Fishman told PolCouns November 27 that the MOD has set up a task force to monitor all construction in West Bank settlements, with a special budget for activities that include aerial surveillance as well as on-the-ground inspections. Fishman said the settlers are prepared quickly to challenge the MOD, and predicted that the crunch will come very soon, as Defense Minister Barak will have to decide how to respond to illegal, perhaps even intentionally provocative, construction. He also argued that the support of inner cabinet right-wingers such as Begin, Yaalon and Lieberman for the suspension of construction was based on Barak's argument that a confrontation with Iran is likely in the first half of next year, and Israel will need both the good will of the U.S. Administration and to avoid the outbreak of a Third Intifada during the coming year.

16. (C) Israelis across the political spectrum are watching the Palestinian Authority's reaction carefully. Media commentators have noted comments by various PA officials, including Abu Mazen while traveling in South America, rejecting the GOI's initiative and stressing that they will not return to negotiations without a total freeze, including in East Jerusalem. Some left-wing commentators, such as Ha'aretz' Akiva Eldar, are stressing the view that Netanyahu's approach is simply a political ploy to get the U.S. off his back while knowing that the Palestinians cannot accept it. Others have taken the position that while insufficient, Netanyahu is acting against his own political inclinations and should be encouraged to continue to move in the right direction. Columnist Fishman noted that Israelis are well aware of the great sensitivity in the PA toward a possible agreement with Hamas to exchange hundreds of Palestinian prisoners for kidnapped soldier Gilad Shalit, which some believe could take place in the next few weeks. Fishman said the security services are looking at the possibility of releasing additional hundreds of Fatah prisoners in order to cushion the blow to Abu Mazen of a

Shalit deal, but he noted that such steps could simply intensify opposition by the right to any the GOI's overall approach to trying to restart negotiations with the PA.
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